

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  INTERSTATE POWER AND LIGHT COMPANY	DOCKET NOS. TF-03-164 TF-03-176
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**ORDER APPROVING TARIFFS AND GRANTING INTERVENTION**

(Issued December 5, 2003)

On May 28, 2003, Interstate Power and Light Company (IPL) filed with the Utilities Board (Board) proposed tariffs, identified as TF-03-164 and TF-03-176. The two tariffs are identical. One tariff applies to the service territory formerly served by IES Utilities Inc. and the other to the service territory formerly served by Interstate Power Company. The proposed tariffs were developed to provide non-firm best efforts standby electric service to customers with on-site generation.

The Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed a motion to dismiss and answer on June 17, 2003. Among other things, Consumer Advocate argued the proposed tariffs constitute piecemeal or single-issue ratemaking.

The Board docketed the tariffs for further investigation by order issued June 25, 2003. On July 18, 2003, the Board issued an order denying Consumer Advocate's motion to dismiss. The Board made a tentative finding that House File 391, which was effective July 1, 2003, created an exception to any prohibition

against piecemeal or single-issue ratemaking. The Board in its order did not set a procedural schedule but allowed time for the parties to conduct discovery and report to the Board on what issues, if any, there were with respect to the proposed tariffs. On July 21, 2003, the Board granted a petition by the Iowa Consumers Coalition (ICC) to intervene in the proceeding. Roquette America, Inc. (Roquette), intervened on August 22, 2003, and the petition to intervene will be granted.

On November 14, 2003, IPL filed proposed "Pre-Scheduled Energy Only Standby Service" tariff sheets that amended tariff filings TF-03-164 and TF-03-176. IPL stated that all parties had authorized the amended filing and had no objection to the Board approving the amended tariffs. IPL filed minor corrections on November 26, 2003.

The Board will approve the tariffs. The tariffs provide generally that energy will be provided to a self-generating customer during a forced outage or planned maintenance of the customer's generation, but not at other times. However, the tariffs provide that there may be scheduled sales to the self-generating customer for economic reasons, with the price for such sales based on the marginal cost of energy to IPL plus a 10 percent mark-up.

**IT IS THEREFORE ORDERED:**

1. Tariff filings TF-03-164 and TF-03-176, as amended on November 14 and 26, 2003, are approved, effective December 14, 2003, subject to complaint or investigation.

2. The petition to intervene filed by Roquette America, Inc., on August 22, 2003, is granted.

**UTILITIES BOARD**

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 5<sup>th</sup> day of December, 2003.